

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of	)	CA 04-16
	)	
DEXTER C. KUBOTA,	)	
	)	
Respondent.	)	
	)	
	)	

366861v4

CONCILIATION AGREEMENT

On or around October 2003, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondent Dexter C. Kubota (referred to as "Respondent" unless otherwise noted). Business registration records list Dexter Kubota as President of KFC Engineering Management, Inc. KFC Engineering Management lists its business address as 3375 Koapaka Street, Suite F220-50, Honolulu, Hawaii.

The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, the Commission and Respondent, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondent and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of complete remedial or corrective action taken by Respondent pursuant to Section 11-216(g), HRS.
- III. That the Respondent has cooperated and facilitated the complete and accurate review of all campaign contributions made or otherwise reimbursed by Respondent.
- IV. That Respondent had a reasonable opportunity to be heard with respect to the need for action to be taken in this matter, including the imposition of administrative fines and the amounts thereof.
- V. That Respondent waives the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- VI. That Respondent enters into this Agreement with the Commission on its own volition and with full knowledge and understanding.
- VII. That the pertinent facts are as follows:
  1. On or around October 2003, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon

information received through the disclosure statements of the candidate campaign committees including:

- a. Ben Cayetano ("Cayetano"),
- b. Linda Lingle("Lingle"), and
- c. Mazie Hirono ("Hirono), and
- d. Ed Case ("Case"), and
- e. Jon Yoshimura ("Yoshimura")

initiated an investigation involving excess contributions in violation of particular campaign finance statutes.

2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to: ...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.

3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to ..A candidate seeking nomination or election to a four-year nonstatewide office or to the in an aggregate amount greater than \$4,000 during an election period.

4. Section 11-202, HRS, reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in

connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.

5. That Respondent's friends and family members made campaign contributions with funds supplied or reimbursed by Respondent, to the Cayetano campaign committee totaling \$25,000, including

Kazuko Imamura	12/1997	\$5,000
Lynette Takehara	12/1997	\$5,000
Lyn Araki	6/1998	\$5,000
William George	6/1998	\$5,000
Marjorie Rosemont	6/1998	\$5,000

6. That Respondent's business associates, friends and family members made campaign contributions with funds supplied or reimbursed by Respondent, to the Hirono campaign committee totaling \$31,165, including

Kazuko Imamura	10/1998	\$5,000
Gary Sohler	3/2002	\$4,000
Gary Sohler	8/2002	\$1,965
John Hustleby	4/2002	\$2,000
Janis Lania	4/2002	\$4,000
Kazuko Imamura	4/2002	\$4,000
George Smith	9/2002	\$4,000
Janice Lania	9/2002	\$2,000
William J. Martin	10/2002	\$2,000
Patricia Begonia	6/2002	\$ 200

7. That Respondent's business associates, friends and family members made campaign contributions with funds supplied or reimbursed by

Respondent to the Lingle campaign committee totaling \$12,500,  
including

Anonui Builders	10/1998	\$5,000
Danyl McGarr	10/2002	\$2,500
Bernadette Paik-Akau	10/2002	\$2,500
Rebecca Horne	10/2002	\$2,500

8. That Respondent's business associates, friends and family members made campaign contributions with funds supplied or reimbursed by Respondent to the Ed Case and Jon Yoshimura campaigns, including:

(Case)	Kazuko Imamura	8/2002	\$2,000
(Yoshimura)	William Martin	5/2001	\$6,000

9. That Respondent acknowledges that the above identified contributions were provided in violation of Sections 11-202 and 11-204, HRS.

10. That Respondent did not file on behalf of KFC Engineering Management, Inc., an organizational report as required by Section 11-194, HRS.

11. That Respondent did not file on behalf of KFC Engineering Management, Inc. disclosure reports as required by Sections 11-212 and 11-213 HRS.

11. That Respondent did not file on behalf of KFC Engineering Management, Inc. state contractor reports as required by Section 1-205.5, HRS.

## VII. Settlement Terms

A. As final settlement of the matter and issues raised in Case No. 04-16, Respondent shall be assessed administrative fines in an amount of \$30,000.00 as determined by Order of the Commission, for

- (1) For violation of section 11-202, HRS, making false name campaign contributions to the Cayetano, Hirono, Lingle, Ed Case and Jon Yoshimura campaign committees;
- (2) For violation of section 11-204, HRS, making excess campaign contributions to the Cayetano, Hirono and Lingle campaign committees;
- (3) For failure to file on behalf of KFC Engineering Management, Inc., state contractor reports pursuant to section 11-205.5, HRS.

B. Respondent agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.

C. Terms of payment of the assessment shall be by Order of the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.


IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

X. This Agreement constitutes the entire agreement between the Commission and Respondent on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.

XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the investigation conducted herein.

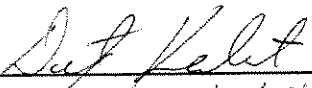
**FOR THE COMMISSION:**

Robert Y. Watada, Executive Director

By:   
Date: 11/19/04

**DEXTER C. KUBOTA**

Respondent

  
Date: 11/14/04